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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **O.M.P.(I) (COMM.) 178/2025**
RAHUL KUMAR MISHRA

.....Petitioner

Through: Mr. Mayank Wadhwa, Mr. Abhishek
Wadhwa, Ms. Muskan Gupta, Ms. Soumya
Gurang, Advs.

versus

OYO HOTELS AND HOMES PVT. LTD & ANR.

.....Respondent

Through: Ms. Paromita Majumdar, Ms. Ankita
Srivastava, Advs.

CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH

ORDER
27.05.2025

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1. This is a petition filed under Section 9 of the Arbitration and Conciliation Act, 1996 seeking status quo for hotel property being property situated at 15/153-6 Movaiya, Pahadiya, Baluwa Marg, Varanasi – 221007 under the brand name of “Townhouse Pahadiya Varanasi”. The said property consists of ground plus 5 floors and 30 contracted rooms.
2. The respondent No. 1 is a company that offers global platform designed to support entrepreneurs and small businesses in the hospitality sector by providing technology solutions aimed at enhancing income.
3. The respondent No. 1 appointed the petitioner as an operator of the subject property by executing an Operations Agreement dated 09.12.2024.



4. The said Agreement contained the arbitration clause being Section 3 which reads as under:-

“Section 3 DISPUTE RESOLUTION

1. *This Agreement and any dispute arising thereunder shall be construed and enforced in accordance with the laws of India. Any issues, dispute, claim or controversy arising out of or in connection with this Agreement or its performance, (“Dispute”), shall to the extent possible be settled amicably by negotiation and discussion among the Parties. Failing such an amicable settlement within 30 days from the receipt of a written notice the dispute shall be referred to arbitration under the Arbitration and Conciliation Act as amended from time to time. Such arbitration shall be conducted by a sole arbitrator mutually appointed by the Parties. The arbitration shall be conducted in English through online mode. The juridical seat and venue of arbitration shall be online and the courts of New Delhi shall have exclusive jurisdiction to preside on matters arising hereunder.*
 2. *The arbitral award shall be in writing, final and binding on the Parties. The Parties shall be responsible to bear their respective costs and expenses in relation to any such arbitration proceeding and are subject to the final award being passed by the arbitrator i.e. both the parties shall share the cost jointly during the conduct of the arbitration proceedings with respect to the administrative charges and arbitrator fees. However, the arbitrator shall have the discretion to order costs i.e. passing a cost award in favour of the successful party along with the final award.”*
5. As per the respondent, there were material breaches of the said Agreement by the petitioner and hence, the respondent No. 1



terminated the said Agreement on 03.04.2025. Hence, the present petition.

6. Clause 30 of the Appendix regarding disputes resolution reads as under:-

“30. GOVERNING LAW AND DISPUTE RESOLUTION

30.1. This Agreement and any dispute arising thereunder shall be construed and enforced in accordance with the laws of India. Any issues, dispute, claim or controversy arising out of or in connection with this Agreement or its performance, (“Dispute”), shall to the extent possible be settled amicably by negotiation and discussion among the Parties. Failing such an amicable settlement within 30 days from the receipt of a written notice the dispute shall be referred to arbitration under the Arbitration and Conciliation Act as amended from time to time. Such arbitration shall be conducted by a sole arbitrator mutually appointed by the Parties. The arbitration shall be conducted in English through online mode. The juridical seat and venue of arbitration shall be online and the courts of New Delhi shall have exclusive jurisdiction to preside on matters arising hereunder.

30.2. The arbitral award shall be in writing, final and binding on the Parties. The Parties shall be responsible to bear their respective costs and expenses in relation to any such arbitration proceeding and are subject to the final award being passed by the arbitrator i.e. both the parties shall share the cost jointly during the conduct of the arbitration proceedings with respect to the administrative charges and arbitrator fees. However, the arbitrator shall have the discretion to order costs i.e. passing a cost award in favour of the successful party along with the final award.”



7. This Court *vide* Order dated 15.05.2025 directed the parties to maintain *status quo*.
8. Ms. Majumdar, learned counsel for the respondent No. 1 has filed a reply wherein it has been shown that there are numerous WhatsApp messages between the petitioner and the respondent No. 1 showing the respondent No. 1's averment that the petitioner has defaulted in terms of its contractual obligations.
9. The scope and purpose of the said Agreement and the obligations of the petitioner show as under:-

"1. SCOPE AND PURPOSE OF THE AGREEMENT

1.1. Operator is engaged to manage the Property on behalf of the Owner, as outlined in this Agreement. The Operator acknowledges that the Owner is solely responsible for Property related matters such as compliance, claims or actions against the Property, absolving OYO of any liability. The Owner has recourse against the Operator for operational issues or breaches of this Agreement. This Agreement outlines how the Operator will utilize its capabilities to maximize occupancy and earnings for the Property listed on OYO's platform.

2. OPERATOR OBLIGATIONS

2.1. Compliance: The Operator must adhere to this Agreement, Service Standards, and OYO Policies. They are solely responsible for operational matters, including guest service issues. OYO will not be liable for any harm, loss, or inconvenience to guests or the property and will not indemnify the Operator/Owner or guests in any such cases."

10. A perusal of the clauses shows that, at best, the petitioner is only an



operator engaged to manage the property on behalf of owner and hence can be considered as a licensee under the terms of the Operation Agreement. The fact whether the petitioner's Agreement has been terminated rightly or wrongly is a question which the learned Arbitrator will decide as and when the same is adjudicated upon. The licensee cannot be permitted to retain the possession of the premises once the Operations Agreement has been terminated. However, it is also the position of law that due process of law also needs to be followed.

11. Ms. Majumdar, learned counsel states that the respondent No.1 shall proceed in accordance with the Operation Agreement and in accordance with law to take steps on the basis that the Operation Agreement has been terminated.
12. For the said reasons, the *status quo* order stands vacated and the respondent No.1 shall proceed in accordance with law and the Operation Agreement for seeking possession.
13. Since there is an arbitration clause, with the consent of parties, the following directions are issued for adjudication of disputes between the parties:-
 - i) Mr. Naveen Kumar Chaudhary, Adv. (Mob No. 9810372713) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
 - ii) The arbitration will be held under the aegis and rules of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the 'DIAC').
 - iii) The remuneration of the learned Arbitrator shall be in terms of



DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.

- iv) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
 - v) It is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claim, any other preliminary objection, as well as claims/counter-claims and merits of the dispute of either of the parties, are left open for adjudication by the learned arbitrator.
 - vi) The parties shall approach the learned Arbitrator within two weeks from today.
14. The present petition is disposed of in the aforesaid terms.

MAY 27, 2025 / (MS)

JASMEET SINGH, J

Click here to check corrigendum, if any